

***Miami Beach Fire and Police
Drop Plan***

***For the Period Ending
June 30, 2014***

Miami Beach Police & Fire DROP Plan
June 30 and March 31, 2014 Review
Voya DROP Mutual Funds

1. Voya T. Rowe Price Capital Appreciation (ITCSX) [0.89%]

June 30, 2014

MorningStar Rating: ★★★★★ (out of 730 funds over 3 Years)

Comparative Index: MorningStar Moderate Target Risk

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	4.01%	18.70%	13.26%	15.48%
Policy	3.68%	15.64%	9.18%	12.04%
Differences	0.33%	3.06%	4.08%	3.44%
Universe	n/a	12	2	2

March 31, 2014

MorningStar Rating: ★★★★★ (out of 742 funds over 3 Years)

Comparative Index: MorningStar Moderate Target Risk

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	2.86%	16.87%	12.20%	18.54%
Policy	2.03%	10.95%	8.16%	13.87%
Differences	0.83%	5.92%	4.04%	4.67%
Universe	n/a	3	2	2

Received an excellent rating from Morningstar. The investment seeks a high total investment return, consistent with the preservation of capital and with prudent investment risk. The fund normally pursues an active asset allocation strategy whereby investments are allocated among equities, debts, and money market instruments. It invests primarily in the common stocks of established U.S. companies the sub-adviser believes to have above-average potential for capital growth. Common stocks typically comprise at least half of the Portfolio. The remaining assets are invested in other securities, including convertibles, warrants, preferred stocks, corporate and government debt, bank loans futures and options. David Giroux, the Manager, now runs more than \$33B in the strategy.

No change recommended.

www.ingfunds.com

2. American Funds American Mutual (RMFEX) [0.66%]

June 30, 2014

MorningStar Rating: ☆☆☆☆ (out of 620 funds over 10 Years)

Comparative Index: Large Cap. Value i.e. Russell 1000 Value

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	4.35%	20.94%	14.52%	16.74%
Policy	5.10%	23.81%	16.92%	19.23%
Differences	-0.75%	-2.87%	-2.40%	-2.49%
Universe	n/a	70	64	64

March 31, 2014

MorningStar Rating: ☆☆☆☆ (out of 1068 funds over 3 Years)

Comparative Index: Large Cap. Value i.e. Russell 1000 Value

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	1.98%	17.87%	13.49%	18.70%
Policy	3.02%	21.57%	14.80%	21.75%
Differences	-1.04%	-3.70%	-1.31%	-3.05%
Universe	n/a	81	46	71

Received a good rating from Morningstar. The investment seeks current income, growth of capital and conservation of principal. The fund invests primarily in common stocks of companies that are likely to participate in the growth of the American economy and whose dividends appear to be sustainable. It invests primarily in securities of issuers domiciled in the United States and Canada. The fund may also invest in bonds and other debt securities, including those issued by the U.S. government and by federal agencies and instrumentalities. The Fund benefits from veteran leadership. 5 Managers run separate sleeves of the portfolio. The Managers average roughly 25 years of investment experience, most of it with this Fund's parent company, Capital Group. **No change recommended.**

3. MFS Research A (MFRFX) [0.85%]

June 30, 2014

MorningStar Rating: ★★☆☆ (out of 1500 funds over 3 Years)

Comparative Index: Large Cap. Core, i.e. S&P500

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	3.99%	22.01%	15.55%	18.06%
Policy	5.23%	24.61%	16.59%	18.83%
Differences	-1.24%	-2.60%	-1.04%	-0.77%
Universe	n/a	88	31	41

March 31, 2014

MorningStar Rating: ★★☆☆ (out of 1491 funds over 3 Years)

Comparative Index: Large Cap. Core, i.e. S&P500

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	1.15%	21.08%	14.13%	20.54%
Policy	1.12%	23.22%	14.63%	21.68%
Differences	0.03%	-2.14%	-0.50%	-1.14%
Universe	n/a	74	29	40

Average rating from Morningstar. The investment seeks capital appreciation. The fund normally invests its assets in equity securities including common stocks, preferred stocks, securities convertible into stocks, REIT's and depositary receipts for such securities. It generally invests its assets in companies of any size, and focuses on companies with large capitalization. The fund may invest its assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies.

No change recommended.

www.mfs.com

4. Voya T. Rowe Price Growth Equity (ITGIX) [0.74%]

June 30, 2014

MorningStar Rating:  (out of 1500 funds over 3 Years)

Comparative Index: Large Cap. Growth, i.e. R1000G

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	3.91%	28.58%	16.91%	19.53%
Policy	5.13%	27.03%	16.26%	19.24%
Differences	-1.22%	1.55%	0.65%	0.29%
Universe	n/a	28	12	16

March 31, 2014

MorningStar Rating:  (out of 1491 funds over 3 Years)

Comparative Index: Large Cap. Growth, i.e. R1000G

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	-1.26%	27.66%	15.44%	21.97%
Policy	1.12%	23.22%	14.63%	21.68%
Differences	-2.38%	4.44%	0.81%	0.29%
Universe	n/a	14	13	20

Good rating from Morningstar. **Rob Bartolo is no longer the portfolio manager.** Joe Fath took over in January 2014. He is in the U.S. Equity Division of T. Rowe Price and has been managing assets for the firm since 2002. The investment seeks long-term capital growth, and secondarily, increasing dividend income. The fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in common stocks. It concentrates its investments in growth companies. The fund may also purchase, to a limited extent, foreign stocks, hybrid securities, futures, and forward foreign currency exchange contracts, in keeping with its objectives. Its investments in foreign securities are limited to 30% of the portfolio's assets. **No change recommended.**

www.ingfunds.com

5. Voya Index Plus MidCap I (IPMIX) [0.49%]

June 30, 2014

MorningStar Rating:  (out of 330 funds over 3 Years)

Comparative Index: Broad MidCap i.e. Russell Mid Cap

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	3.93%	25.06%	15.24%	20.58%
Policy	4.97%	26.79%	16.09%	22.07%
Differences	-1.04%	-1.73%	-0.85%	-1.49%
Universe	n/a	47	38	43

March 31, 2014

MorningStar Rating:  (out of 338 funds over 3 Years)

Comparative Index: Broad MidCap i.e. S&P400

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	2.50%	22.17%	13.53%	23.40%
Policy	3.53%	23.52%	14.39%	25.55%
Differences	-1.03%	-1.35%	-0.86%	-2.15%
Universe	n/a	50	36	47

Average rating from Morningstar. This investment seeks to outperform the total return performance of the S&P400 while maintaining a market level of risk. Chris Corapi April, 2012 and Vincent Costa are the Portfolio Managers. This fund invests at least 80% of net assets in securities of mid-capitalization companies included in the index. It may invest in derivative instruments. In managing the portfolio, the Sub-Adviser attempts to achieve the Portfolio's objective by overweighting those stocks in the index that the Sub-Adviser believes will outperform the index, and underweighting (or avoiding altogether) those stocks in the index that the Sub-Adviser believes will underperform the index. **No change recommended.**

www.ingfunds.com

6. Voya American Century Small-Mid Cap Value (IASSX) [1.40%]

June 30, 2014

MorningStar Rating:  (out of 370 funds over 3 Years)

Comparative Index: Small-Mid Blend i.e. Russell Mid Value

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	4.80%	23.82%	15.78%	20.12%
Policy	5.63%	27.76%	17.56%	22.98%
Differences	-0.83%	-3.94%	-1.78%	-2.86%
Universe	n/a	68	44	62

March 31, 2014

MorningStar Rating:  (out of 365 funds over 3 Years)

Comparative Index: Small-Mid Blend i.e. Russell Mid Value

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	3.10%	21.50%	13.34%	23.56%
Policy	5.22%	22.95%	15.17%	26.35%
Differences	-2.12%	-1.45%	-1.83%	-2.79%
Universe	n/a	68	50	53

Average rating from Morningstar. This fund seeks long-term capital growth, income is a secondary objective. This portfolio normally invests at least 80% of net assets in equity securities of small-mid-capitalization companies. The sub-adviser defines small-capitalization companies to include those with a market capitalization no larger than that of the largest company in the SP SmallCap 600 Index or the Russell 2000 Index and mid-capitalization companies to include those market capitalization at the time of purchase is within the capitalization range of the Russell 3000 Index, excluding the largest 100 such companies.

No change recommended.

www.ingfunds.com

7. Wanger Small Cap Growth (WUSAX) [0.94%]

June 30, 2014

MorningStar Rating: N/A

Comparative Index: Small Growth i.e. Russell 2000 Growth

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	2.53%	23.26%	12.98%	20.80%
Policy	1.72%	24.73%	14.49%	20.00%
Differences	0.81%	-1.47%	-1.51%	0.80%
Universe	n/a	n/a	n/a	n/a

March 31, 2014

MorningStar Rating: N/A

Comparative Index: Small Growth i.e. Russell 2000 Growth

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	0.88%	21.33%	12.92%	24.66%
Policy	0.50%	27.19%	13.61%	25.24%
Differences	0.38%	-5.86%	-0.69%	-0.58%
Universe	n/a	n/a	n/a	n/a

Good rating from Morningstar. The investment seeks long-term capital appreciation. The fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in U.S. companies. It invests a majority of its net assets in the common stock of small- and mid-sized companies with market capitalizations under \$5 billion at the time of investment. The fund may invest in other companies with market capitalizations above \$5 billion, provided that immediately after that investment a majority of its net assets would be invested in companies with market capitalizations under \$5 billion.

No change recommended.

www.columbiafunds.com

8. Voya International Value Portfolio I (IIVIX) [0.96%]

June 30, 2014

MorningStar Rating: ☆☆☆ (out of 278 funds over 5 Years)

Comparative Index: International Value

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	4.09%	25.49%	7.22%	9.11%
Policy	5.03%	21.75%	5.73%	11.11%
Differences	-0.94%	3.74%	1.49%	-2.00%
Universe	n/a	26	42	83

March 31, 2014

MorningStar Rating: ☆☆☆ (out of 267 funds over 5 Years)

Comparative Index: International Value

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	1.45%	21.20%	6.27%	13.51%
Policy	0.71%	13.80%	4.01%	15.80%
Differences	0.74%	7.40%	2.26%	-2.29%
Universe	n/a	27	46	79

Poor rating from Morningstar. The investment seeks long-term capital appreciation. The fund normally invests at least 65% of net assets in equity securities of issuers located in a number of different countries outside of the U.S. It invests primarily in companies with a large market capitalization, but may also invest in mid- and small-sized companies. The fund may invest up to 35% of assets in securities of U.S. issuers, including investment grade government and corporate debt securities. **Still on "Watch".**

www.ingfunds.com

9. Fidelity Variable Insurance Product Investment Grade Bond (FBNDX) [0.45%]

June 30, 2014

MorningStar Rating:  (out of 931 funds over 3 Years)

Comparative Index: Intermediate Term Bond i.e. Barclays Capital Aggregate

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	2.14%	4.96%	4.10%	6.06%
Policy	2.04%	4.37%	3.66%	4.85%
Differences	0.10%	0.59%	0.44%	1.21%
Universe	n/a	41	40	34

March 31, 2014

MorningStar Rating:  (out of 942 funds over 3 Years)

Comparative Index: Intermediate Term Bond i.e. Barclays Capital Aggregate

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	1.97%	0.16%	4.12%	6.89%
Policy	1.84%	-0.10%	3.75%	4.80%
Differences	0.13%	0.26%	0.37%	2.09%
Universe	n/a	42	33	34

Received an average rating from Morningstar. The investment seeks a high level of current income. The fund normally invests at least 80% of assets in investment-grade debt securities (those of medium and high quality) of all types and repurchase agreements for those securities. It allocates assets across different market sectors and maturities. The fund invests in domestic and foreign issuers. It invests in lower-quality debt securities. The fund invests in Fidelity's central funds.

No change recommended.

advisor.fidelity.com

10. PIMCO VIT Real Return Portfolio - Administrative Class - 833 (PARRX) [0.73%]

June 30, 2014

MorningStar Rating:  (out of 194 funds over 3 Years)

Comparative Index: Barclays Capital U.S. Treasury TIPS

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	4.16%	5.27%	3.65%	6.52%
Policy	3.81%	4.44%	3.55%	5.80%
Differences	0.35%	0.83%	0.10%	0.72%
Universe	n/a	77	12	3

March 31, 2014

MorningStar Rating:  (out of 185 funds over 3 Years)

Comparative Index: Barclays Capital U.S. Treasury TIPS

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	2.17%	-7.53%	3.40%	6.26%
Policy	1.95%	-6.49%	3.50%	4.91%
Differences	0.22%	-1.04%	-0.10%	1.35%
Universe	n/a	77	12	3

Excellent rating from Morningstar (up from 4-stars last quarter). The investment seeks maximum real return, consistent with preservation of capital and prudent investment management. The fund normally invests at least 80% of its net assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and corporations, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. It invests primarily in investment grade securities, but may invest up to 10% of its total assets in high yield securities ("junk bonds") rated B or higher. The fund is non-diversified.

No change recommended.

www.pimco.com

11. Voya J.P. Morgan Emerging Markets (IJPIX) [1.51%]**June 30, 2014**

MorningStar Rating: ☆☆☆☆ (out of 156 funds over 10 Years)

Comparative Index: MSCI EM NR USD

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	6.06%	12.32%	-0.08%	9.35%
Policy	6.60%	14.31%	-0.39%	9.24%
Differences	-0.54%	-1.99%	0.31%	0.11%
Universe	n/a	65	48	43

March 31, 2014

MorningStar Rating: ☆☆☆☆ (out of 156 funds over 10 Years)

Comparative Index: MSCI EM NR USD

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	2.47%	-2.04%	-1.93%	14.39%
Policy	-0.43%	-1.43%	-2.86%	14.48%
Differences	2.90%	-0.61%	0.93%	-0.09%
Universe	n/a	50	41	47

Good rating from Morningstar. The investment seeks capital appreciation. The fund invests at least 80% of its assets in the equity securities of issuers located in at least three countries with emerging securities markets. It may also invest to a lesser extent in debt securities of issuers in countries with emerging markets. The fund may overweight or underweight countries relative to its benchmark, the MSCI Emerging Markets IndexSM. It emphasizes securities that are ranked as undervalued, while underweighting or avoiding securities that appear overvalued. The fund typically maintains full currency exposure to those markets in which it invests.

No change recommended.www.ingfunds.com

12. Voya Global Resources (IGRSX) [0.89%]

June 30, 2014

MorningStar Rating: ☆☆☆☆ (out of 54 funds over 10 Years)

Comparative Index: S&P Natural Resources

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	12.70%	35.64%	4.53%	12.72%
Policy	13.37%	33.14%	6.73%	14.76%
Differences	-0.67%	2.50%	-2.20%	-2.04%
Universe	n/a	3	28	29

March 31, 2014

MorningStar Rating: ☆☆☆ (out of 133 funds over 3 Years)

Comparative Index: S&P Natural Resources

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	4.70%	14.19%	-1.98%	13.74%
Policy	2.70%	11.63%	0.17%	15.73%
Differences	2.00%	2.56%	-2.15%	-1.99%
Universe	n/a	20	43	49

Good rating from Morningstar, up from 3-stars last quarter. The investment seeks long-term capital appreciation. The fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in the equity securities of companies in the natural resources industries located in a number of different countries, one of which may be the United States. It also may invest in securities issued by companies that are not in natural resources industries, investment-grade corporate debt, and repurchase agreements. The fund may invest without limit in securities of foreign issuers, including emerging markets. It is non-diversified.

No change recommended.

www.ingfunds.com

13. Voya Clarion Real Estate (IVRSX) [1.11%]

June 30, 2014

MorningStar Rating: ☆☆☆☆ (out of 192 funds over 5 Years)

Comparative Index: DJ US Select REIT TR US

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	6.87%	14.31%	11.11%	23.90%
Policy	7.00%	13.18%	11.81%	23.80%
Differences	-0.13%	1.13%	-0.70%	0.10%
Universe	n/a	23	32	11

March 31, 2014

MorningStar Rating: ☆☆☆☆ (out of 194 funds over 5 Years)

Comparative Index: DJ US Select REIT TR US

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	10.09%	5.37%	10.17%	28.93%
Policy	9.94%	4.15%	10.64%	28.73%
Differences	0.15%	1.22%	-0.47%	0.20%
Universe	n/a	16	25	15

Good rating from Morningstar. The investment seeks capital appreciation and current income. The fund invests at least 80% of net assets (plus borrowings for investment purposes) in common and preferred stocks of U.S. real estate investment trusts and real estate companies. This portion of the portfolio will have investments located in a number of different countries located throughout the world, including the United States. It may invest in companies of any market capitalization; however, it will generally not invest in companies with market capitalization of less than \$100 million at the time of purchase. The fund is non-diversified. Joseph P. Smith & T. Ritson Ferguson have been the Managers since May 2009.
No change recommended.

www.ingfunds.com

14. Voya Fixed Account 457/401**June 30, 2014**

MorningStar Rating: N/A

Comparative Index: Available Through an annuity contract or group funding agreement issued by ING Life Insurance and Annuity Company.

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	0.74%	1.48%	3.00%	3.00%

March 31, 2014

MorningStar Rating: N/A

Comparative Index: Available Through an annuity contract or group funding agreement issued by ING Life Insurance and Annuity Company.

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	0.73%	3.00%	3.00%	3.00%

Stability of principal is the primary objective of this investment option. This fixed account guarantees minimum rates of interest and may credit interest that exceeds the minimum guaranteed rate. The account guarantees principal and a minimum guaranteed interest rate for the life of the contract, as well as featuring two declared interest rates: a current rate, determined at least monthly, and a guaranteed minimum floor rate declared for a defined period- currently one calendar year. The guaranteed minimum floor rate may change after the defined period, but it will never be lower than the minimum guaranteed interest rate.

15. Voya Money Market Portfolio

June 30, 2014

MorningStar Rating:

Comparative Index: Money Fund Report Averages

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	0.02%	0.02%	0.02%	0.09%

March 31, 2014

MorningStar Rating:

Comparative Index: Money Fund Report Averages

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Fund	0.00%	0.02%	0.02%	0.10%

Invests in a diversified portfolio of high quality, US dollar denominated short-term debt securities that are determined to present minimal credit risks.

Fees (expense ratios) are below.

<u>Fund Name (Ticker Symbol)</u>	<u>Expense Ratio</u>
Voya T. Rowe Price Capital Appreciation (ITCSX)	0.89%
American Funds American Mutual (RMFEX)	0.66%
MFS Research A (MFRFX)	0.85%
Voya Partners T. Rowe Price Growth Equity (ITGIX)	0.74%
Voya VP Index Plus Midcap I (IPMIX)	0.49%
Voya American Century Small-Mid Cap (IASSX)	1.40%
Wanger Small Cap Growth (WUSAX)	0.94%
Voya International Value Port I (IIVIX)	0.96%
Fidelity Variable Ins. Product Inv. Grade Bond	0.45%
PIMCO Real Return Administrative Class	0.73%
Voya J.P. Morgan Emerging Markets (JPPIX)	1.51%
Voya Global Resources (IGRSX)	0.89%
Voya Clarion Real Estate (IVRSX)	1.11%
Voya Fixed Account 457/401	
Voya VP Money Market Portfolio	